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FISCAL IMPACT STATEMENT

LS 6220

BILL NUMBER: HB 1087

NOTE PREPARED: Nov 23, 2009

BILL AMENDED:

SUBJECT: Notice of School Tax Levy Referendum.

FIRST AUTHOR: Rep. Thompson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires the governing body of a school corporation that adopts a resolution to conduct a referendum for a tax levy to certify the resolution to both the Department of Local Government Finance and the county fiscal body of each county in which the school corporation is located. (Current law does not require the governing body to certify the resolution to the Department of Local Government Finance.)

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, there are school districts that before 2002 approved (via a referendum) an excessive property tax levy for the school corporation in the district. These school corporations, at their discretion, could adopt a resolution before September 21, 2005, allocating the tax levy to a fund other than the school corporation's general fund. A certified copy of the resolution had to be sent to Department of Local Government Finance (DLGF) and the county auditor.

For property taxes payable in 2006 and after, the resolution also permitted these school corporations to levy an additional amount for the fund up to the amount of the original excessive tax levy. The authority to do so expires on December 31, 2012, unless the school corporation adopts a resolution before January 1, 2013, extending or reimposing the levy. The levy extension must also be approved by a referendum before January

1, 2013.

Under current law, a certified copy of the resolution extending the levy beyond December 31, 2012, does not have to be sent to the DLGF; it only has to be sent to the county auditor. This bill addresses this inconsistency and stipulates that the resolution must also be sent to the DLGF just as the original resolution had to be forwarded to the department. The fiscal impact would be minimal.

State Agencies Affected: DLGF.

Local Agencies Affected: Applicable school corporations.

Information Sources:

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